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DIVISION OF OIL, GAS, AND MINING
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May 7, 1981

Mr. Brian Buck
Getty Mineral Resources Company
P. O. Box 15668
Salt Lake City, Utah 84115

RE: Mercur Project
ACT/045/013
Tooele County, Utah

Dear Brian:

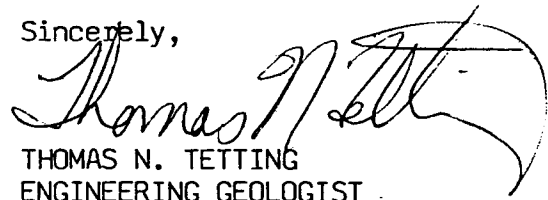
Our office is in general agreement with your idea of development drilling for the Mercur Canyon Project within your proposed boundaries.

As usual, however, I have a request or two to make before we shall consider this an official agreement.

If any drilling will occur on State lands, the Division of State Lands will still need to be contacted prior to initiation of activity unless you also work out an arrangement with them. The same goes for BLM land.

Would you add to your list of commitments the following: an annual report will be filed with the Division summarizing exploration activity, including number of holes, depth, diameters, plugging procedures or reasons for future use and number of holes reclaimed; also, would you please amend #1 to read as follows: 1. Holes which encounter significant ground water will be plugged with "Division recommended abandonment fluid or plugging mud"; #2 should be amended to read, All holes will be fitted with "permanent" surface plugs and marked "upon abandonment or after their useful purpose has been achieved."

Sincerely,


THOMAS N. TETTING
ENGINEERING GEOLOGIST

TNT/btm